

# [Contract and agency business law](https://assignbuster.com/contract-and-agency-business-law/)

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Contract and Agency Business Law Who wins? Why? In the case study, the Executives of ABC made an offer to their employees about them staying and continuing working in the company despite the present conditions as the company would soon be merging with another company and the employees would benefit from the merger or sale of ABC. The offer involved the employees getting 5% of the value of the sale or merger. This was a good deal and the employees accepted and stayed on with the company. The consideration of the contract, in this case, was the fact that each party was contributing something to the deal and hence the agreement (Subramanian, 5).
The above are the elements required of a contract and they were all present. However, despite the fact that the elements of the contract were fulfilled, there was no written agreement between the two parties and there are no even records of the existing agreement of the contract between the employees and the executive of ABC and hence and hence no formal legal binding of the contract (Adamson, 38). If there is no formal legal binding which is usually in a form of evidence of the terms of the contract with the agreement by parties being indicated through signatures, then the contract can be considered to be non-existent (Andrews, 37).
The employees therefore without producing any formal evidence of the contract between them and the executives of the ABC company will lose the case and the executives who act as the agents/ representatives of the company win and the company gets to keep all the money from the sale of the company without sharing it with their former employees.
Work Cited
Adamson, John. Business Law. New York: Cengage Learning, 2010.
Andrews, Neil. Contract Law. Cambridge: Cambridge University Press, 2011.
Subramanian, Guhan. “ Contracts 101: What every negotiator should know about contract and agency law.” Harvard Business School Publishing, 602D, (7, 2012).